

Message Text

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67

ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00 AGR-10

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 PRS-01 SP-02

OMB-01 FEA-01 /090 W

----- 084084

O 052010Z MAY 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 3074

UNCLAS SECTION 1 OF 2 CARACAS 5063

E.O. 11652: N/A

TAGS: BEXP, AFSP, VE

SUBJ: CONTRY COMMERCIAL PROGRAM FOR FY-77 AND PRELIMINARY
INPUTS FOR FY-78

REF: A) STATE A-7369 B) STATE 054879 C) CARACAS 0878

1. POST'S CCP BUDGET FY-77 AND ESTIMATE FOR FY-78 INCLUDED
IN POST'S FIELD BUDGET ESTIMATES.
2. RECOMMENDED CAMPAIGNS AND NON-CAMPAIGN ACTIVITIES FOR FY-78
ARE DELINEATED BELOW. POST DESIRES TO CHANGE NUMBERING OF
CAMPAIGNS FOR FY-77 AND 78 TO REFLECT CHANGES E.G. SOME
CAMPAIGNS FROM FY-76 BEING DROPPED. THUS IN FY-77 AND 78
WE WISH TO NUMBER CAMPAIGNS IN ORDER OF PRIORITY, I.E., CAMPAIGN
NO.1 IS MAXIMIZE PARTICIPATION US FIRMS IN DEVELOPMENT OF
VENEZUELAN PETROCHEMICAL INDUSTRY, AND PRIORITY IS ONE.
JUSTIFICATION FOR CAMPAIGN NO. 1 IS GOV COMMITMENT TO DEVELOP
THIS INDUSTRY TO ITS FULLEST POTENTIAL COMMENSURATE WITH
AVAILABLE INVESTMENT RESOURCES.
3. CAMPAIGN NO. 2: MAXIMIZE PARTICIPATION OF US FIRMS IN
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BOTH SEGMENTS OF VENEZUELA'S RAILROAD DEVELOPMENT SCHEME. WHILE

IT IS HOPED THAT US CONSORTIUM WILL BE AWARDED OVERALL PROJECT, IN EVENT THIS DOES NOT TAKE PLACE, THERE ARE STILL LIKELY TO BE VAST OPPORTUNITIES FOR US EQUIPMENT SUPPLIERS.

4. CAMPAIGN NO. 3: MAXIMIZE PARTICIPATION OF US FIRMS IN DEVELOPMENT OF STEEL AND METAL WORKING INDUSTRIES. GOV COMMITMENT TO CREATION OF VIABLE NATIONAL STEEL MAKING COMPLEX ADDITIONAL TO EXISTING INDUSTRY CONTINUES AND WILL IN FUTURE ASSURE STEADY DOMESTIC SUPPLY TO DEVELOP SECONDARY METAL WORKING INDUSTRIES.

5. CAMPAIGN NO. 4: MAXIMIZE PARTICIPATION OF US FIRMS IN EXPANSION OF TELECOMMUNICATIONS INDUSTRY. CANTV IN PLANNING STAGES OF MAJOR TELECOMMUNICATIONS EXPANSION TO BE COMPLETED OVER NEXT SEVERAL YEARS. MINISTRY OF COMMUNICATIONS IN PROCESS OF REORGANIZATION AND IS COOPERATING WITH CANTV IN MAJOR OVERHAUL OF BOTH DOMESTIC AND INTERNATIONAL NETWORKS.

6. CAMPAIGN NO. 5: MAXIMIZE PARTICIPATION OF US FIRMS IN VENEZUELA'S NATIONAL AIRWAYS SYSTEM AND AIRPORT DEVELOPMENT PROGRAMS. EXPENDITURES ANTICIPATED THIS PROGRAM OVER \$300 MILLION IN NEXT THREE YEAR PERIOD. EMBASSY EXPECTS FAA PARTICIPATION UNDER TECHNICAL SERVICES CONTRACT PROVIDING ADVISORY SERVICES TO APPROPRIATE GOV AUTHORITIES.

7. CAMPAIGN NO. 6: MAXIMIZE PARTICIPATION OF US FIRMS IN DEVELOPMENT OF VENEZUELAN SHIPBUILDING INDUSTRY. JUSTIFICATION: WHILE THIS PROGRAM HAS LAGGED IN FY-76, SUBSTANTIAL PROCUREMENT OF CAPITAL GOODS EXPECTED TO OCCUR IN LATE FY-77 AND 78.

8. CAMPAIGN NO. 7: MAXIMIZE OPPORTUNITIES FOR US FIRMS TO SUPPLY CAPITAL GOODS TO PRIVATE INDUSTRIES UNDERGOING EXPANSION OR BEING CREATED IN SUPPORT OF GOV PLAN FIFTH. VARIOUS GOV PROGRAMS, INCLUDING INPRO, ARE AIMED AT STIMULATING PRIVATE INDUSTRY ALBEIT ON SELECTED BASIS. PRIVATE SECTOR PROGRAMS ACCOUNT FOR SOME 40PERCENT OF EXPECTED GOV DEVELOPMENT EXPENDITURE AND OFFER SPECIAL OPPORTUNITIES FOR SMALL AND MIDDLE-SIZED US MANUFACTURERS.

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9. CAMPAIGN NO. 8: MAXIMIZE PARTICIPATION OF US FIRMS IN VENEZUELA'S ENERGY SYSTEMS DEVELOPMENT PROGRAM. JUSTIFICATION: THIS PROGRAM INCLUDES RAISING OF RAUL LEONI DAM BY 100 FEET, NUMEROUS THERMAL AND HYDRO PROJECTS OF LESSER SCOPE AND THE FIRST GERM OF INTEREST IN A NUCLEAR POWER PROGRAM.

10. CAMPAIGN NO. 9: MAXIMIZE PARTICIPATION OF US FIRMS IN GOV REGIONAL DEVELOPMENT PROGRAM. JUSTIFICATION: THIS PROGRAM

IS DESIGNED TO EXPAND VENEZUELA'S INFRASTRUCTURE, ENCOURAGE DECENTRALIZATION OF INDUSTRY AND FOMENT EMPLOYEMNT IN THE INTERIOR OF THE COUNTRY. PROGRAMS VARY IN SIZE AND SCOPE FROM REGION TO REGION, BUT IS AGGREGATE THEY SURPASS \$2 BILLION.

11. CAMPAIGN NO. 10: MAXIMIZE PARTICIPATION OF US FIRMS IN SUPPLYING TECHNOLOGY, EQUIPMENT, MACHINERY, AND MATERIALS TO VENEZUELA'S BUILDING AND CONSTRUCTION INDUSTRY. JUSTIFICATION: THE BUILDING AND CONSTRUCTION INDUSTRY IS PERHAPS THE FASTEST GROWING INDUSTRY IN THE COUNTRY, INCLUDES SUBSTANTIAL PRIVATE SECTOR INTEREST, AND IS EXPECTED TO CONTINUE AT RECORD GROWTH RATE IN SUPPORT OF THE OVERALL ECONOMIC EXPANSION AND THE NATIONAL DEVELOPMENT PLAN.

12. CAMPAIGN NO. 11: MAXIMIZE PARTICIPATION OF US FIRMS IN CONSTRUCTION OF CARACAS METRO SYSTEM. JUSTIFICATION: INVESTMENT IN THIS PROJECT SURPASS \$2 BILLION AND ENVISAGES THE PURCHASE OF ROLLING STOCK, SWITCH GEAR, ELECTRICAL AND ELECTRONIC CONTROLS, TECHNICAL ASSISTANCE, RAILS, COMPUTERS AND TRAINING WHICH IS AGGREGATE COULD REACH \$1 BILLION. RECENT WORLDWIDE EXPERIENCE IN METRO SYSTEM CONSTRUCTION PROJECTS SHOULD GIVE US FIRMS PRIME OPPORTUNITY IN SUPPLYING ROLLING STOCK AND THE MORE TECHNOLOGICALLY SOPHISTICATED COMPONENTS.

13. CAMPAIGN NO. 12: MAXIMIZE PARTICIPATION OF US FIRMS IN DEVELOPMENT OF VENEZUELAN AUTOMOTIVE INDUSTRY. GOV COMMITMENT TO DEVELOPMENT OF DOMESTIC MANUFACTURE OF AUTOMOBILES AND SMALL TRUCKS WILL REQUIRE AND INVESTMENT IN CAPITAL PRODUCTION GOODS ALONE IN EXCESS OF \$2 BILLION. CREATION OF ANCILLARY INDUSTRIES WILL PROVIDE INVESTMENT AND SUPPLIER OPPORTUNITIES.

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14. SUMMARY OF PERSONNEL RESOURCES FY-77 AND FY-78 ANTICIPATED SAME FOR BOTH YEARS.

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ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00 AGR-10

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-02

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CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 PRS-01 SP-02

OMB-01 FEA-01 /090 W

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O 052010Z MAY 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 3075

UNCLAS SECTION 2 OF 2 CARACAS 05063

PROFESSIONALS GRAND TOTAL WORK DAYS: 2530-

FSO/R: CAMPAIGNS 825 NON-CAMPAIGNS 495

FSL/P: CAMPAIGNS 385 NON-CAMPAIGNS 825

TOTAL 1210 WDS TOTAL 1320 WDS

CLERICAL GRAND TOTAL WORK DAYS 1210-

FSS: CAMPAIGNS 138 NON-CAMPAIGNS 82

FSL/C: CAMPAIGNS 440 NON-CAMPAIGNS 550

TOTAL 578 WDS TOTAL 632 WDS

TOTAL RESOURCES UTILIZED: 3740 WDS

PROFESSIONALS WD AS PERCENT OF TOTAL: 68PERCENT

CLERICAL WD AS PERCENT OT TOTAL: 32PERCENT

15. SUMMARY OF FINCNIAL RESOURCES FY-77

TOTAL RESOURCES UTILIZED \$80,105: 100PERCENT

TOTAL RESOURCES UTILIZED CAMPAIGNS:

TRAVEL \$3,050

REPRESENTATION \$3,600

CONTRACT

SERVICES \$21,000 B)

MISCELLANEOUS \$1,150

TOTAL CAMPAIGNS \$28,800

PERCENT OF TOTAL 36PERCENT

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TOTAL RESOURCES UTILIZED NON-CAMPAIGNS:

TRAVEL \$600

REPRESENTATION \$1,050

CONTRACT

SERVICES \$44,065 B)

MISCELLANEOUS \$5,590

TOTAL RESOURCES UTILIZED
NON-CAMPAIGNS \$51,305
PERCENT OF TOTAL 64PERCENT

16. SUMMARY OF FINANCIAL RESOURCES FY-78
TOTAL RESOURCES UTILIZED \$40,115-100PERCENT
TOTAL RESOURCES UTILIZED CAMPAIGNS:
TRAVEL \$3,965 A)
REPRESENTATION: \$2,600
CONTRACT SERVICES \$NON ANTICIPATED
MISCELLANEOUS \$750
TOTAL RESOURCES UTILIZED
CAMPAIGNS \$7,315
PERCENT OF TOTAL 18PERCENT
TOTAL RESOURCES UTILIZED NON-CAMPAIGNS:
TRAVEL \$600
REPRESENTATION \$1,200
CONTRACT SERVICES \$25,000
MISCELLANEOUS \$6,000
TOTAL RESOURCES UTILIZED
NON-CAMPAIGNS \$32,800
PERCENT OF TOTAL 82PERCENT

NOTES: AL FY-78 TRAVEL ESTIMATE UNDER CAMPAIGNS INCLUDES
ANTICIPATED INCREASE IN DOMESTIC AIR FARES.

B) \$42,000 ALLOCATED BY USDOC FOR MARKET SURVEYS DIVIDED
EQUALLY BETWEEN CAMPAIGN AND NON-CAMPAIGN.

17. ESTIMATES IN REF C) MAY NOT AGREE WITH CURRENT FY-77
ESTIMATES SHOWN IN THIS MESSAGE BECAUSE COMMERCIAL TASK FORCE
HAD NOT BEEN APPROVED AT THAT TIME.

18. BECAUSE EMBASSY CARACAS IS SCHEDULED FOR FUNCTIONAL
REORGANIZATION UNDER "OPERATION CLEAN SLATE", POSITIONS OF
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E/C COUNSELOR, PETROLEUM OFFICER, FINANCIAL OFFICER, AID
DETAIL OFFICER, AND ONE FSS SECRETARIAL POSITION, ARE NOT
REPEAT NOT REFLECTED IN PERSONNEL RESOURCES SCHEDULE. HOWEVER,
POST BUDGET AND FISCAL OFFICER HAS AGREED, IN PRINCIPLE, TO
ASSIGNMENT OF ONE FSS SECRETARIAL POSITION TO REORGANIZED COMMER-
CIAL UNIT AND SOME REALIGNMENT OF EMBASSY STAFFING PATTERN
IS EXPECTED TO FURNISH SIX AMERICAN COMMERCIAL OFFICERS WITH ONE
US SECRETARY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CARACA05063
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760173-0635
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760590/aaaacysv.tel
Line Count: 273
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE A-7369, 76 STATE 54879, 76 CARACAS 878
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUL 2004 by wolfsd>; APPROVED <14 SEP 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONTRY COMMERCIAL PROGRAM FOR FY-77 AND PRELIMINARY INPUTS FOR FY-78
TAGS: BEXP, AFSP, VE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006